



Programs & Services



4th Edition

Can we help you solve the puzzle of starting or expanding your business?

Banner Guide

General SBA Information

Financial Assistance

Federal Government Contracting Assistance

Counseling & Technical Assistance

Financial Assistance

- Loans
 - Primarily made by private lenders, with SBA guaranties
 - Guaranties are generally up to 80% of loans to \$100,000; 75% of loans above \$100,000
- Equity Investment
 - Provided by SBA-licensed small business investment companies
- Surety Bonds
 - Guaranties of bid, performance and payment bonds

The Basic 7(a) Loan Guaranty Program

- You apply for a loan guaranty with an SBA participating lender
- Lender submits application for SBA review and approval
- After SBA approval, lender disburses funds

Use of Proceeds

7(a) loans may be used to:

- Expand, renovate facilities;
- Buy machinery, equipment, fixtures, buildings and land for business;
- Finance receivables and augment working capital;
- Refinance existing debt (with compelling reason);
- Finance seasonal lines of credit; and/or
- Construct commercial buildings.

Eligibility Requirements

Businesses must:

- Be operated for profit
- Not exceed size standards
- Not engage in lending, real-estate development, investments or speculation

Maximum Size Standards

- Manufacturing — 500-1500 employees
- Wholesaling
 - 100 employees for financial assistance programs (500 employees for contracting assistance programs)
- Services
 - \$4 million to \$21.5 million in annual receipts, or
 - 1500 employees
- Retailing
 - \$5 million to \$21 million in annual receipts
- General and heavy construction
 - \$17 million to \$27.5 million in annual receipts
- Special trade construction
 - \$10.5 million in annual receipts
- Agriculture
 - From \$500,000 to \$9 million in annual receipts

Lender Requirements

Common documentation includes:

- Purpose of loan
- Business history*
- 3 years of financial statements*
- Schedule of term debts*
- Aging of accounts receivable and payable*
- Projected opening-day balance sheet**
- Lease deals
- Amount of owner investment in business
- Projections of income, expenses and cash flow
- Signed personal financial statements
- Personal résumés

* for existing businesses **for new businesses

SBA Requirements

- Good character
- Management expertise and commitment to succeed
- Reasonable personal contribution or business equity
- Feasible business plan
- Sufficient collateral
- Ability to repay loan from projected operating cash flow

Terms

- Flexible maturities:
 - Up to 10 years for working capital
 - Up to 25 years for fixed assets:
 - Real estate
 - Construction
 - Equipment
- Interest rates:
 - Negotiated between borrower and lender
 - Typically cannot exceed prime rate plus 2 to 3%

SBA Preferred Lenders Program

- Selected, experienced SBA lenders
- Full authority for loan approvals
- One-day SBA response

SBAExpress

- Uses lender's forms — not SBA's
- Loans or revolving lines of credit to \$150,000
- SBA guaranty of 50%
- 36-hour response from the SBA

Community*Express*

- Part of New Markets Initiative
- For underrepresented minorities, veterans and women business owners
- Businesses located in low/moderate income urban and rural areas
- Maximum loan amount of \$250,000
- Technical training and support included

MicroLoans

7(m) MicroLoan Program

- Direct loans through nonprofit intermediaries
- Loans of up to \$25,000
- Fast turnaround
- Up to six years to repay
- Used for —
 - Machinery, equipment, fixtures
 - Leasehold improvements
 - Inventory
 - Working capital
- Technical and management assistance available

Loans for Fixed Assets

504 Certified Development Company Program

- Long-term, fixed-rate financing
- Up to \$1 million in SBA-backed debentures
- SBA debenture guaranty of 40%
- Must create or retain one job for every \$35,000 of SBA debenture proceeds
- DELTA funding also available under this program

A Typical 504 Project Includes —

- A private sector loan covering up to 50%
- A loan from the CDC covering up to 40% (100% SBA-guaranteed debenture) and
- At least 10% equity from the small business

The Small Business Investment Company Program

- SBA-licensed private investment companies
- SBIC venture capital backed by SBA guaranties
 - Long-term loans, up to 20 years
 - Funding available for manufacturing and service industries

SBIC Program Success Stories

Fortune 500 Companies

- Apple
- Cray Research
- Federal Express
- Intel
- Octel
- Staples
- Quantum
- Gymboree
- Midway Airlines
- Pandick Press
- Rolm Corp.
- Teledyne
- Compaq Computers
- Oracle
- Sybase
- America Online

The Surety Bond Guarantee Program

- Bid, performance and payment bonds
- For federal, state, local and private projects
- SBA guaranty of up to \$1.25 million
- Generally all types of small businesses eligible
- More information is available at **www.sba.gov**

Federal Government Contracting Assistance

Breakout Procurement

- Converts sole-source contracts to open competition
- Increases contract opportunities for small businesses
- Saves federal money

Prime Contracting

- Promotes full, open competition
- Designed to increase small business' share of federal contracts
- SBA initiates set-asides, identifies small business sources and provides counseling

Subcontracting

- Promotes small businesses to larger contractors
- Counseling on marketing and opportunities

CCR

(Central Contractor Registration)

The Central Contractor Registration (CCR) is the primary vendor database for the U.S. Federal Government. The CCR collects, validates, stores and disseminates data in support of agency acquisition missions.

Both current and potential government vendors are required to register in CCR in order to do be awarded contracts by the government.

- Accessed at www.ccr.gov/

HUBZones

(Historically Underutilized Business Zone Program)

- Develops historically underutilized urban and rural areas
- Establishes federal award preferences for small businesses
- Lists qualified businesses on PRO-Net[®]
- Information is available at www.sba.gov/hubzone

Research & Development Assistance

Small Business Innovation Research

- Meets specific research and R&D needs of the federal government
- Promotes commercialization of results
- Awards federal grants competitively

Small Business Technology Transfer

- Awards federal grants competitively
- Mandates company collaboration with nonprofit research institution

Counseling and Technical Assistance Small Business Development Centers

- Provide management and technical assistance
- Combine resources of SBA, local government, private sector and academia
- Typically located at colleges and universities
- Assist with loan applications
- Information is available at **www.sba.gov/sbdc**

Service Corps of Retired Executives

- 11,500 SCORE volunteers nationwide in 389 chapters
- Business counseling and expertise
- Business-plan and loan-application assistance
- Online or in-person counseling
- Information is available at www.score.org

Contact Information

- Phone: (415) 744-6801
- Fax: (415) 744-9062
- E-mail: melkin@SBA.gov
- TDD: (704) 344-6640
- Internet:
 - SBA home page: www.sba.gov
 - U.S. Business Advisor: www.business.gov
- Address:

San Francisco District Office
455 Market Street, Suite 600
San Francisco, CA 94105

U.S. Business Advisor

- Provides a one-stop link for small business information and services by the federal government
- Features loan information, counseling, regulations and law guidance
- Furnishes tutorials and online classes
- More information is available at **www.business.gov**

Advocacy for Small Business

Office of Advocacy

- Researches issues, develops policy and monitors effects
- Produces economic reports and interprets small business statistics
- Primary federal agency disseminating small business data
- Oversees compliance with Regulatory Flexibility Act
- More information is available at www.sba.gov/advo



Thank You!



1-800 U ASK SBA

www.sba.gov